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15 December 1980

## MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 15 December 1980

The Director was in the chair. [ ]

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The Director outlined the week's activities:

- o On 17 December, the Director is scheduled to entertain the [ ] at lunch. In the event that there is a conflict in his schedule, due to an SCC(I) meeting on covert action and a NSC meeting called by the President, Silver and McMahon or Stein will host for him.
- o On 18 December, the Director will have lunch with Senator Bayh and will present him with an Agency medal.
- o On 19 December the Director will begin his leave. [ ]

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The Director noted that Malcolm Toon, former Ambassador to the USSR, will speak in the Auditorium this afternoon. [ ]

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Stein said that McMahon was briefing the Intelligence Oversight Board on covert action today. [ ]

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Fitzwater provided a list of universities at which CIA recruiters were having difficulties because of demonstrations. In response to the Director's question, Fitzwater said the problems appeared to be the result of frustration and the aftermath of the election. Hineman commented that NFAC personnel who have visited campuses have had no difficulties and have been well received. Fitzwater opined that probably it was because the visits were unpublicized.

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In response to the Director's question about the CT Program, Fitzwater said that the next class will have [ ] CTs, about 50 percent less than usual. Some of the reasons the classes have diminished in size are the lack of funds for advertising the program, misconceptions about the hiring freeze and the fact that potential CTs are being offered better paying jobs on the outside. Stein commented that he is concerned about the small numbers of CTs coming on board. [ ]

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Lipton said he was going to issue the Program Call for the FY-83 budget on 16 December. [ ]

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In response to the Director's question about the FY-82 budget, [ ] said OMB is holding firm and there is nothing new. [ ]

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Hetu noted this morning's Washington Post article about Victor Marchetti (attached). [ ]

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Hitz said the chances of lifting the pay cap are nil. In response to his question, Hitz told the Director that Congress could exempt itself from a lifting of the pay cap but it was not likely. [ ]

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Hitz announced Bill Miller is leaving the SSCI Staff, Dan Childs will stay on the staff and Senator Wallop will become head of the Subcommittee on the Budget. This raises the question of a possible conflict of interest involving Angelo Codevilla. If Codevilla returns to the SSCI Staff, the information he acquired as a member of the transition team could be used by the SSCI in formulating the budget. [ ]

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Hitz commented that William Casey has some outstanding FOIA requests and that they should be handled in the manner required by law. The requests are mainly for historical material on the OSS. [ ]

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In response to Mr. Carlucci's question, Briggs said there is one more IG report which will be sent to the DDCI this year. Mr. Carlucci commented that one of the recommendations made by the IG in its report on OTS was that the DDCI should investigate some unspecified problems; Mr. Carlucci said that the O/DDCI has no investigatory arm. Briggs said the IG recommendation should have requested the DDCI to "stimulate an investigation." [ ]

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[ ] reported RMS is preparing a book for the President on [ ] and that RM hopes to have a decision by the end of the week. The Director highlighted his conversation with the President on this topic. [ ]

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Attachment:  
As Stated

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## WASHINGTON POST

## CIA 'TRAITOR'

Former Spy Victor Marchetti:  
11 Years of Truth and FantasyBy Phil McCombs  
Washington Post Staff Writer

Victor Marchetti, former CIA spy turned agency critic, lies on his back in the semidark. Visions of retribution dance in his brain. His eyes are closed; one arm rests on his forehead. On a desk beyond the sofa where he lies is a typewriter with a piece of paper cranked into it and spotlighted by a lone lamp.

"I'm a very violent man...." His voice is soft, breathy with alcohol in the prelunch noon. He is talking about a plumber. The plumber came to his house recently to put in a water heater, but he was doing it wrong.

So, Marchetti says, he pointed a loaded .45 pistol at the plumber's beer belly and said, "I'll blow your belly all over the floor if you don't do what I told you to do and do it right." ... He did it right and got out of here .... When you make a threat, you've gotta be able to deliver."

The whistle blower, 11 years out. More than a decade unplugged from the engines of society and the bureaucracy that keeps so many people going from day to day. You've got to be strong to survive.

When Marchetti quit the CIA, he was a top official who had spent 14 years fighting the Cold War on the inside. He wrote a novel, "The Rope-Dancer," which

portrays the agency as a bumbling bureaucracy; the hero of the book is a top CIA official who spies for the Soviets. In 1974, Marchetti and John D. Marks, a former State Department official, rocked the government with their best-selling nonfiction book, "The CIA and the Cult of Intelligence."

In a city of whistle blowers, this was high-level stuff: a 397-page assertion that the CIA was filled with self-serving bureaucrats so busy with mostly useless clandestine operations — overthrowing governments and the like — that they had little time for gathering and analyzing essential intelligence.

Marchetti became the darling of liberals and reformers, and the book helped fuel widespread attacks on the agency.

Now, a decade later, Marchetti is writing another novel. He free-lances, gives lectures and owns part of a restaurant. His wife is a nurse. With two of their three sons and Marchetti's octogenarian father, they live in a big house in Oakton.

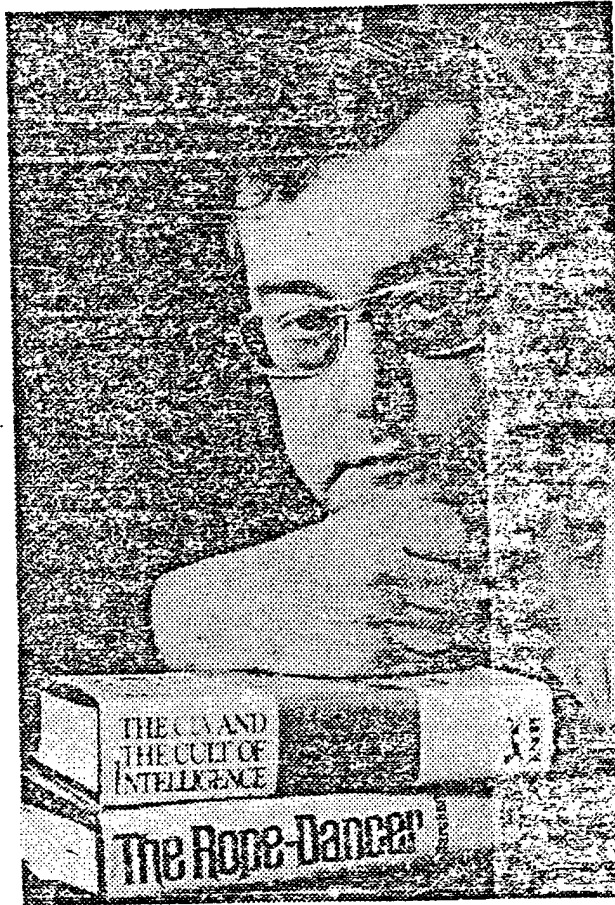
In a five-hour interview in the basement recreation room of his house,

where he writes, and at a Chinese restaurant, Marchetti presented himself in various guises — as the Brando-style godfather, the gentle family man, the man of violence and death, idealistic reformer, literary artist. Truth and fantasy merged, indistinguishable.

His wife, he said, has a nice way of describing him. "She says, 'If you'd lived in another time, you'd have been a crusader. You'd have gone in against the Saracens in the Middle East and fought 'em. If you were in another time and another place, you'd have been a gunslinger. And if you hadn't gone straight and worked for the agency, you'd have been a Mafioso.' And I think she knows me for what I am."

His voice softens. Feeling and affection seem to come into it for the first time in five hours. He is thinking of his wife, and he quotes her again: "From the day I met you, you were always spoiling for a fight. The only question was, could you get on the right side or not? ..."

From time to time, Marchetti, 50, a short, brown-haired man with watery eyes and gold-rimmed glasses, got up from the sofa, walked to the rec room bar and poured himself a drink.



By John McDonnell—The Washington Post

Whistle blower Victor Marchetti with his books on the CIA.

"One of the things you want to understand about the [spy] business is almost everybody's a drunk. I'm not really an alcoholic, but borderline. I like to get a snootful. I think I'd be diagnosed as a functional alcoholic."

Louis Clark is an ex-minister who runs a program to help whistle blowers at the Institute for Policy Studies, a liberal think tank in downtown Washington. When people come to him and say they are thinking of blowing the whistle, Clark advises them that they should be prepared for emotional trauma. He said they tend not to understand the nature of the world they are about to enter.

"People don't realize what a long, drawn out process it is, what a risk it is, and what alienation they will go through," Clark said. "People won't talk to them [whistle blowers] in the office. They get transferred to a desk without a window. It's easy to get paranoid ...."

Before encouraging anyone to blow the whistle, Clark examines the candidate for signs of strength or weakness. "I want to feel that the people have

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## WASHINGTON POST

## TRAITOR :

the inner resources to deal with an adversarial situation, to fight the world....

"A certain number of whistle blowers we deal with, they never realized how dependent they are on the bureaucracy sanctioning what they did. They're really dependent on that type of organizational reinforcement, and that's what whistle blowers don't get at all. I say, 'If you're a whistle blower, don't expect any positive reinforcement. You're pitting yourself against the organization, the whole organization.'"

Whistle blowers tend to be idealistic, Clark said. "Most have really believed in the government and in their organizations and are very patriotic. Their whole life they really bought the high school civics lesson idea that if they point out wrongdoing they'll be praised for it. They're really shocked at the reprisals."

Clark said whistle blowing is particularly difficult for CIA officers because the agency is so secretive and whistle-blowing can be a violation of law or contract. "If you come from the CIA and blow the whistle and become a traitor to them you put yourself in an entirely different world where your friends are people who you didn't think of as friends before and all your friends throughout your career are no longer talking to you."

According to Clark, the civil libertarians who tend to be supportive of whistle blowing also tend to look askance at the CIA, and can't understand how someone could have joined it in the first place.

Marchetti joined the CIA because he was idealistic and patriotic — the same reasons, he says, that later made him quit in disillusionment. It was the mid-1950s, the height of the Cold War. "If they'd given me a gun and said, 'Go shoot Khrushchev,' I'd have done it. Everyone wanted to work for the government, for the CIA, for State. Your best and your brightest were really hustling to qualify for these positions."

Marchetti was a poor kid from a Pennsylvania coal town who grew up street fighting and boxing — activities that he thinks helped him develop a

**"If you come from the CIA and blow the whistle and become a traitor to them, you put yourself in an entirely different world."**

lifelong combativeness. He went to college, quit, bummed around Europe, joined the Army during the Korean conflict and was able to stay out of the trenches by studying Russian. Later he was in Army Intelligence.

"That's when I began to get patriotic." When he left the Army, "A great change had come over me. No longer was I interested in just fun and games." He graduated from Penn State in Russian Studies and was recruited into the CIA.

Fourteen years after college, he had risen to become executive assistant to the deputy CIA director, and he quit.

"Suddenly here I was in my late 30s, holding a GS-15 slot, getting the highest efficiency reports you can get with notations saying, 'This man is destined to be one of the leaders of the agency.' I had it made. Then suddenly things switched off — bloop!"

There were problems with the agency mentioned in the Cult book, the social problem of his being, in his words, the "token dago" in the elitist, WASPish CIA, his inherent tough-guy combativeness. Who knows exactly why he left? He's not entirely sure himself.

"Well, it doesn't matter. I don't [care] any more about anything. All I'm interested in is providing for my family, taking care of my kids...."

*"Here you sit. A spy, a traitor to your country. Yet, you can laugh about it, make jokes. Why? That is the fascination."*

*"Sandor, I often wonder about it myself. I can only guess that somewhere along the line, I lost touch with reality. Or perhaps I discovered reality. Maybe I simply invented my own version of it..."* — Victor Marchetti, "The Rope-Dancer."

was a Soviet spy and wanted to have him assassinated, but, he said, Director Richard Helms drew the line at that.

"When I decided to buck the system, decided to go public, they panicked. They got the [Nixon] White House involved, and they were vindictive. Their main goal was to get me some way, somehow.... They put me under surveillance and mail cover.... I got caught up in a scheme of things where people were so paranoid, so frightened. This happened right after [Pentagon Papers whistle blower Daniel] Ellsberg and the plumbers [burglars who broke into Ellsberg's office]... We already had early word that Philip Agee was about to [reveal CIA secrets]. They just went bonkers.... The long and the short of it is, they clobbered me.... The main thing they do to you is they ostracize you. You no longer have any friends, or very few friends.... Let me tell you something, buddy. My friends in the Mafia are *clean* compared with these guys."

Revenge, he says, will be his against Charles Colson, John Dean and others from the Nixon White House — although he doesn't specify how, or explain why they are responsible. He was talking almost as if years hadn't passed since Nixon and his staff left the White House in disgrace.

"One by one I'm gonna get all [of them]. I'm gonna prove 'em all to be phonies, cheats, creeps... I'm gonna take 'em one at a time. You gotta remember something — an Italian never gets angry, he just gets revenge. When I get finished with that Nixon White House, there ain't gonna be anyone left — not one. They can hide in New Mexico or wherever they want to, but

After he left, he said, they soon realized he was writing a book. He said that one top official was convinced he

# WASHINGTON POST

TRAITOR

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I'll track 'em down one by one and if I don't my sons will."

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Survival for Marchetti, he says, depends mainly on his family.

"This is what they don't understand. They can pull all their dirty little tricks, all their sneaky little gambits, but you still got a family. And your family sticks by you. I don't mean just your kids or your wife. I mean your family — *la famiglia*. Brother, aunts and uncles . . . . That's one thing the CIA has never learned — they can't beat *famiglia*! They may have a lot of power when it comes to the Establishment, . . . but they can't beat the ethnic *famiglia*. *Blood!*"

Marchetti lies on the sofa, eyes closed again. Lies there in his blue-checked pants, soft shoes and raggedy sweater. His voice drags and slurs, slower and slower:

"If I had it to do all over again, I'd never have done it. I lost everything I had. I managed to hold onto the house and a few other things, but basically I lost . . . . If I had it to do all over again, I'd have kept my mouth shut. I'd have played the game. I'd be a super-grade, have a good salary, nice fringe benefits and so on. But . . . ."

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